

## Message Text

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ACTION OES-06

INFO OCT-01 EA-09 ISO-00 ACDA-10 CIAE-00 INR-07 IO-13 L-03  
NSAE-00 NSC-05 EB-07 NRC-07 DODE-00 FEA-01 PM-04 H-02  
PA-02 PRS-01 SP-02 SS-15 USIA-15 /110 W  
-----040859Z 064269 /17

R 040816Z JAN 77  
FM AMEMBASSY TOKYO  
TO ERDA GERMANTOWN  
ERDA WASHDC  
INFO SECSTATE WASHDC 4518

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ERDA FOR HELFRICH

E.O. 11652: N/A  
TAGS: TECH, JA  
SUBJECT: JAPANESE REACTION TO PRESIDENTIAL STATEMENT OF OCTOBER  
29, 1976 ON U.S. REPROCESSING POLICY

FOLLOWING ARTICLE APPEARED IN DECEMBER 31, 1976 MAINICHI QUOTE  
ATOMIC ENERGY COMMISSION'S GUIDELINES FOR NEGOTIATIONS; NEW  
NUCLEAR POLICY OF U.S.; WILL NOT CHANGE QUOTE OPERATION IN  
SUMMER UNQUOTE; QUOTE TESTING GROUND UNQUOTE FOR INTER-  
NATIONAL INSPECTION; REPROCESSING PLANT; WILL ACCEPT INTER-  
NATIONAL MANAGEMENT OF PLUTONIUM

1. THE CHANGE IN THE UNITED STATES' ATOMIC ENERGY POLICY TO  
APPLY QUOTE A BRAKE TO NUCLEAR PROLIFERATION UNQUOTE ALSO IN  
PEACEFUL USES OF ATOMIC ENERGY, SUCH AS THE REPROCESSING OF  
NUCLEAR FUEL AND TURNING PLUTONIUM INTO FUEL, HAS BEGUN TO  
POSE AN OBSTACLE TO THE ATOMIC-ENERGY DEVELOPMENT OF JAPAN.  
ON THIS PROBLEM, THE ATOMIC ENERGY COMMISSION RECENTLY  
DECIDED ON GUIDELINES FOR NEGOTIATIONS WITH THE UNITED  
STATES, AND THE FOREIGN MINISTRY IS SCHEDULED TO MAKE  
A REPRESENTATION TO THE U.S. GOVERNMENT EARLY IN THE NEW  
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YEAR. THE GUIDELINES SET FORTH THE FOLLOWING THREE POINTS:  
(1) JAPAN TOTALLY SUPPORTS THE UNITED STATES' POLICY FOR  
NUCLEAR NON-PROLIFERATION, (2) HOWEVER, SINCE OUR COUNTRY  
LIMITS USE OF ATOMIC ENERGY TO PEACEFUL PURPOSES, IT WILL  
HAVE THE REPROCESSING PLANT OPERATE, ACCORDING TO THE  
ESTABLISHED POLICY, AND WILL PROMOTE USE OF PLUTONIUM,  
AND (3) OUR COUNTRY, HOWEVER, IS READY TO MAKE THIS PLANT

AN QUOTE INTERNATIONAL TESTING GROUND UNQUOTE FOR THE DEVELOPMENT OF INSPECTION TECHNIQUES AND TO RECEIVE INTERNATIONAL MANAGEMENT ON SURPLUS PLUTONIUM. WEST GERMANY AND FRANCE CRITICIZED THE UNITED STATES AND FIRMED UP A POSTURE OF CONFRONTATION BY STRENGTHENING THE STRUCTURE FOR EXPORTING PLANTS WHICH WERE DEVELOPED IN THEIR OWN COUNTRIES. JAPAN, WHICH HAS BEEN CURBED BY THE UNITED STATES ON SUPPLY OF NUCLEAR FUEL, HAS DECIDED TO AIM AT SETTLEMENT THROUGH TALKS WITH THE NEW CARTER ADMINISTRATION. JAPAN-US NEGOTIATIONS ARE ANTICIPATED TO HAVE HARD SAILING, BUT THE SCIENCE AND TECHNOLOGY AGENCY AND MITI ARE PREPARED TO NEGOTIATE PERSEVERINGLY.

2. THE ORIGIN OF THE PROBLEM IS THAT THE DEVELOPING COUNTRIES, SUCH AS PAKISTAN AND BRAZIL, CONCLUDED AGREEMENTS FOR IMPORTING REPROCESSING PLANTS AND URANIUM-ENRICHMENT PLANTS FROM WEST GERMANY AND FRANCE ONE AFTER ANOTHER LAST YEAR. THE UNITED STATES, BEING AFRAID OF AN INCREASE IN THE NUMBER OF "POTENTIAL NUCLEAR NATIONS," ANNOUNCED ITS POLICY CHANGE IN THE FORM OF PRESIDENT FORD'S STATEMENT ON OCTOBER 28 OR IMMEDIATELY BEFORE THE PRESIDENTIAL ELECTION. THE CONCRETE CONTENTS OF THE NEW POLICY ARE UNKNOWN, BEFORE THE START OF THE CARTER ADMINISTRATION ON JANUARY 20 NEXT YEAR, BUT IN JAPAN, PRELIMINARY, ADVERSE EFFECTS FROM IT HAVE ALREADY BEGUN TO APPEAR.

3. THE ABOVE-MENTIONED GUIDELINES, WHICH THE ATOMIC ENERGY COMMISSION DECIDED ON AFTER CONSULTATIONS WITH UNCLASSIFIED

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THE FOREIGN MINISTRY, MITI, THE SCIENCE AND TECHNOLOGY AGENCY, AND ELECTRIC-POWER INDUSTRY CIRCLES SINCE THE END OF NOVEMBER, ARE THE UNIFIED VIEW OF OUR COUNTRY. WITH THE JUDGMENT THAT JAPAN WILL LOSE TIME, IF (THE DECISION ON THE POLICY IS) AFTER THE START OF THE CARTER ADMINISTRATION, (THE GOVERNMENT) EVEN AIMS TO MAKE A REPRESENTATION TO THE US SIDE PRIOR TO THE INAUGURATION OF PRESIDENT CARTER AND TO AFFECT THE NEW ADMINISTRATION.

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INFO OCT-01 EA-09 ISO-00 ACDA-10 CIAE-00 INR-07 IO-13 L-03  
NSAE-00 NSC-05 EB-07 NRC-07 DODE-00 FEA-01 PM-04 H-02  
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ERDA WASHDC

INFO SECSSTATE WASHDC 4519

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4. INTERNATIONAL TRANSPORTATION OF USED NUCLEAR FUEL FOR REPROCESSING, WHICH THE ATOMIC POWER GENERATION COMPANIES COMMISSIONED TO BRITAIN, HAS VIRTUALLY BEEN SUSPENDED BY THE US CALL FOR A HALT. AS TO THE REPROCESSING PLANT IN TOKAI VILLAGE, IBARAKI PREFECTURE, WHICH PLANT IS SCHEDULED TO START OPERATION NEXT SUMMER, THE START OF OPERATION IS A MATTER FOR JAPAN-US CONSULTATIONS, BECAUSE ENRICHED URANIUM OFFERED BY THE UNITED STATES IS TO BE PROCESSED. HOWEVER, THE US SIDE'S ATTITUDE IS STRICT, AND EVEN SCHEDULED OPERATION IS HELD DOUBTFUL.

5. THE FOCAL POINTS OF THE GUIDELINES ARE: FIRST, HAVING THE REPROCESSING PLANT IN TOKAI VILLAGE OPERATE AS PLANNED WAS BROUGHT TO THE FORE. FOR THIS PURPOSE, COUNTER-POLICIES WERE SHOWN TO THE EFFECT THAT THE PLANT SHALL HAVE THE NATURE OF AN INTERNATIONAL INSPECTION TECHNIQUES RESEARCH FACILITY FOR PREVENTING DIVERSION TO MILITARY USES AND THAT JAPAN IS READY TO MAKE US OF IT AS A "COMMON TESTING GROUND" JOINTLY WITH THE IAEA (INTERNATIONAL ATOMIC ENERGY AGENCY).

6. INSTEAD OF THIS, THE GUIDELINES ASSERT THAT THE  
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PLUTONIUM COLLECTED HERE IN THE PLANT WILL BE USED AS NUCLEAR FUEL (PLUTONIUM RECYCLING) FOR ATOMIC POWER GENERATION STATIONS, INCLUDING NEW MODELS OF POWER REACTORS, WHICH OUR COUNTRY IS NOW DEVELOPING. THE GUIDELINES OFFERED CONCESSIONS TO THE EFFECT THAT AS TO SURPLUS PLUTONIUM, WHICH WILL NOT BE USED AS NUCLEAR FUEL, OUR COUNTRY IS READY TO RECEIVE INTERNATIONAL MANAGEMENT THROUGH CONSULTATIONS WITH THE NATIONS CONCERNED.

7. THE SECOND FOCAL POINT OF THE GUIDELINES IS OVERSEAS COMMISSION OF REPROCESSING, THAT IS, TO SEND TO BRITAIN AND FRANCE USED NUCLEAR FUEL OF THE ELECTRIC POWER COMPANIES, WHICH CANNOT BE DISPOSED OF IN TOKAI VILAGE, AND HAVE IT REPROCESSED. THE GUIDELINES STRESS THAT THIS OVERSEAS REPROCESSING IS NECESSARY AND INDISPENSABLE IN THE JAPANESE ENERGY POLICY. AS TO WHETHER OR NOT TO HAVE ALL THE COLLECTED PLUTONIUM KEPT IN BRITAIN AND FRANCE AND PUT IT UNDER INTERNATIONAL MANAGEMENT, THE GUIDELINES SHOW THE POSTURE OF AGREEING TO THE RESULTS OF CONSULTATIONS WITH THE NATIONS CONCERNED. WITH THIS, THE GUIDELINES PROPOSE THAT THE PRIVATE COMMISSION NEGOTIATIONS BETWEEN VARIOUS ELECTRIC POWER COMPANIES AND THE BRITISH NUCLEAR FUEL COMPANY (BNFL) AND THE FRENCH NUCLEAR MATERIAL COMPANY (COGEM), WHICH NEGOTIATIONS ARE NOW AT THE FINAL STAGE, WILL BE BROUGHT PNTOW COMPLETION OF CONTRACTS.

8. THE ATOMIC ENERGY COMMISSION UNDERSTANDS THE SITUATION WHERE THE UNITED STATES, IN ITS FOREIGN POLICY, CANNOT MAKE A DISTINCTION BETWEEN JAPAN, WHICH LIMITS USE OF ATOMIC ENERGY TO PEACEFUL PURPOSES, AND SUCH DEVELOPING COUNTRIES AS PAKISTAN AND BRAZIL, WHICH MAY POSSIBLY BECOME "POTENTIAL NUCLEAR NATIONS," AND CANNOT TREAT JAPAN ALONE SPECIFICALLY. HOWEVER, THE ATOMIC ENERGY COMMISSION IS URGING THE FOREIGN

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MINISTRY AND OTHERS TO EMPHASIZE OUR COUNTRY'S "THREE PRINCIPLES FOR PEACEFUL USES" AND "THREE NON-NUCLEAR PRINCIPLES" AND TRY TO OBTAIN US UNDERSTANDING IN JAPAN-US NEGOTIATIONS. UNQUOTE.  
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